

**COMMONWEALTH OF VIRGINIA  
HOME TENANT BASED RENTAL ASSISTANCE  
PROGRAM**

**2004  
PROGRAM DESIGN**



**Department of Housing and  
Community Development**

**The Jackson Center  
501 N. 2<sup>nd</sup> Street  
Richmond, VA 23219**

**VIRGINIA HOME TENANT BASED RENTAL ASSISTANCE PROGRAM  
2004 Program Design**

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# Virginia HOME Tenant Based Rental Assistance Program

## INTRODUCTION

The Commonwealth of Virginia is initiating a program to provide housing assistance to its chronically homeless<sup>1</sup> population. Virginia, in its Consolidated Plan 2003-2007, identified the chronically homeless as a population in urgent need of additional housing resources. Though a relatively small percentage of the homeless population can be deemed “chronically homeless,” this population consumes a significant amount of the state’s resources dedicated towards alleviating homelessness. Providing adequate housing for members of this population will increase their chances of attaining self-sufficiency and decrease this population’s strain on the state’s limited resources.

To expand housing resources for the chronically homeless, Virginia is instituting the Tenant Based Rental Assistance Program (TBRA). The TBRA program is a component of the federal Home Investment Partnership (HOME) program, which provides subsidies to help recipients afford housing costs. In addition to receiving housing cost assistance, participants will be linked with already established support services within the community and encouraged to work towards self-sufficiency.

The Virginia Department of Housing and Community Development (DHCD) is undertaking this effort as a twenty-four month pilot project. The program will be administered by up to three targeted localities. Copies of the 2004 TBRA Program Design are available from DHCD via the U.S. Mail or Internet. DHCD contact information is as follows:

Virginia Department of Housing and Community Development  
The Jackson Center  
501 North 2<sup>nd</sup> Street  
Richmond, Virginia 23219  
(804) 371-7100  
(804) 371-7084 TDD  
[www.dhcd.virginia.gov](http://www.dhcd.virginia.gov)

DHCD reserves the right to amend any portion of the 2004 TBRA Program Design that is impacted by any Federal regulations that become effective subsequent to its publication.

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<sup>1</sup> *This program uses the U.S. Department of Housing and Urban Development’s (HUD) definition of “chronically homeless:” An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years.*

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## NATIONAL HOME TBRA PROGRAM OVERVIEW

TBRA was first authorized under section 212 of the Cranston-Gonzalez National Affordable Housing Act (NAHA). The Department of Housing and Urban Development (HUD) implemented the basic requirements for using HOME funds for TBRA through publication of interim regulations at 24 CRF Part 92 on December 16, 1991. TBRA programs directly assist individual low-income families by making up the difference between actual housing costs and what a family can afford to pay.

In October 1992, the initial TBRA provisions were amended by section 220 of the Housing and Community Development Act (HCDA) of 1992. HCDA made two significant amendments. First, participating jurisdictions (PJs) are now permitted to select tenants in accordance with written tenant selection policies and criteria that provide housing to low and very low-income families as long as they are reasonably related to federal preferences. Second, PJs are permitted to administer programs that provide only security deposit assistance, rather than requiring that security deposits only be provided in the context of an ongoing rental assistance program. These statutory revisions were incorporated by interim rules published in the Federal Register on December 22, 1992 and June 23, 1993.

In addition, HUD implemented regulatory changes to provide greater flexibility to PJs administering TBRA programs. A regulatory change on April 19, 1994 made it possible for a PJ to establish its own payment standard based on local market conditions and a determination of rent reasonableness. It also further clarified the term “reasonably related to federal preferences” and permitted a PJ’s non-federal contributions to a TBRA program that is not HOME funded, other than contributions for administration, to count as a match for the HOME Program.

### **HOME TBRA can be used to undertake one or a combination of the following activities:**

- **Freestanding rental assistance.** These programs are similar to Housing Choice Voucher (Section 8) certificate and voucher programs in that tenants choose their housing within guidelines established by the PJ.
- **Anti-displacement assistance.**
- **Security and utility deposit assistance.** PJs may provide security deposit assistance to tenants regardless of whether the PJ is providing ongoing tenant-based rental assistance. Utility deposit assistance, however, may be provided only in conjunction with a TBRA program or a security deposit program.
- **Special purpose programs.** PJs can use money to support a variety of local goals including: self-sufficiency, homeownership, and assistance to targeted populations.
  - **Self-sufficiency program:** HOME TBRA participants may be required to participate in self-sufficiency programs as a condition of assistance.
  - **Targeted Populations.** PJs may establish local preferences for special needs groups in a broad, community-wide TBRA program or the PJ may design a program that exclusively serves one or more special needs group.

## **Virginia HOME Tenant Based Rental Assistance Program**

### **NATIONAL HOME TBRA PROGRAM OVERVIEW (continued)**

The HOME TBRA program can be administered through a PJ or the administrative functions may be contracted out to another entity, such as a local public housing agency (PHA), another public or private agency, or a nonprofit organization.

Additional information about the HOME program and specifically HOME TBRA can be found by visiting the HOME program home web page at [www.hud.gov](http://www.hud.gov). HOME is administered by The Office of Affordable Housing Programs, Office of Community Planning and Development, located at 451 7th Street, SW, Washington, DC 20410, (202) 708-2470. Hearing impaired users may call the Federal Information Relay Service at 1-800-877-8339.

# Virginia HOME Tenant Based Rental Assistance Program

## VIRGINIA HOME TBRA GOALS AND OBJECTIVES

Virginia has adopted the following principles in accordance with HUD guidelines to direct its investment of HOME TBRA funds and in support of its plan to end chronic homelessness as an integral part of the national agenda.

**VISION:** An integrated, community-based system of individualized opportunities, services, and housing has ended homelessness in Virginia

**GOAL:** A model program that allows the chronically homeless to transition to stable appropriate housing and access to supportive services.

**PRIORITY #1: Participants receive adequate, stable housing for up to two years while transitioning to mainstream housing options.**

**Objective A:** Chronically homeless individuals are identified, referred, and selected to participate in the HOME TBRA program.

- **Strategy:** The local administrator provides outreach and education about the HOME TBRA program to workers within the Continuum of Care, mental health system, and other referral sources.  
**Expected Result:** *Referral sources throughout the community are aware of the HOME TBRA program and its guidelines.*
- **Strategy:** Workers within the Continuum of Care, mental health system, or other referral source identify potential participants who can be defined as chronically homeless and whose income is at or below 60% Area Median Family Income (AMFI) and refer them to the local administrator.  
**Expected Result:** *Potential applicants are identified and referred to the HOME TBRA local administrator.*
- **Strategy:** Applicants are selected to participate in the program based on written selection policies as determined by the local administrator and in accordance with HOME TBRA selection criteria.  
**Expected Results:** *Virginia's HOME TBRA program has full participation (up to 35 participants receiving up to two years assistance or any satisfactory combination of participants and duration of assistance)*

**Objective B:** At least thirty units of housing that meet Housing Choice Voucher (Section 8) housing quality standards are available or can be made available.

- **Strategy:** The local administrator of the HOME TBRA program identifies available units within their jurisdiction and makes them available to HOME TBRA participants.  
**Expected Result:** *Sufficient rental inventory to support maximum program participation.*
- **Strategy:** If the number of units that meet Housing Choice Voucher (Section 8) housing quality standards is not adequate to meet HOME TBRA participation, program "Match"

## Virginia HOME Tenant Based Rental Assistance Program

funds (not exceeding \$1,500.00 per unit) from Virginia's "Commonwealth Fund" are available to cover the cost of basic renovations.

**Expected Result:** *Expanded supply of adequate housing and sufficient rental inventory to support maximum program participation.*

**Objective C:** Participants receive services to help them find and secure available rental units.

- **Strategy:** A staff member of the local HOME TBRA administrator or partner agency provides housing placement assistance to each participant.

**Expected Result:** *Participants receive support in obtaining suitable housing, thereby expediting housing placement.*

**Objective D:** Financial supports are available to participants to help pay for security deposits, utility deposits, and rent (including utilities).

- **Strategy:** The local administrator of the HOME TBRA program determines a payment standard based on documented fair market rents or an additional method approved by DHCD. This standard is intended to represent area rent and utility costs of moderately priced units that meet the Housing Choice Voucher (Section 8) housing quality standards.

**Expected Result:** *Determination of standard rental costs.*

- **Strategy:** The local administrator of the HOME TBRA program establishes a minimum rental contribution (this contribution may be minimal) and the maximum amount of rental subsidy as the difference between 30% of the individual's monthly-adjusted income and the payment standard established by the local administrator for the unit the participant will occupy and

**Expected Result:** *Standardized determination of each participant's contribution towards housing costs.*

- **Strategy:** The HOME TBRA payment is made directly from the local administrator to the landlord; however, this direct disbursement may be waived in special situations at the discretion of the local administrator.

**Expected Result:** *Sufficient numbers of landlords participate in the program and they receive rental payments on time and in full.*

- **Strategy:** To promote participation in the self-sufficiency program, the suggested term of the lease between a participant and a landlord is six months. The participant and landlord must mutually agree upon the term of the lease.

**Expected Result:** *Participants receive adequate housing. The six-month renewal process encourages participation in a self-sufficiency plan, as lack of participation is a basis for non-renewal.*

- **Strategy:** Upon completion of lease term or annually at a minimum, a designee of the local administrator must: (1) review participant's income, (2) review or conduct a current needs assessment, (3) inspect unit for compliance with housing quality standards, and (4) review compliance with self-sufficiency plan.

## Virginia HOME Tenant Based Rental Assistance Program

**Expected Result:** *Participants are re-certified for HOME TBRA program eligibility.*

- **Strategy:** Each participant is limited to twenty-four months of rental assistance through the HOME TBRA program during this pilot project. Local administrators and partner agencies will work together to plan for transition upon completion of the program.

**Expected Result:** *Participants receive adequate housing for up to twenty-four months through the HOME TBRA program. If participants require continued assistance after completing this program, referrals are made to other housing assistance services. (Note: HOME TBRA participants do not lose their status on the Housing Choice Voucher (Section8) waiting list.)*

### **PRIORITY #2: Participation in a self-sufficiency program to develop skills that enable participants to maintain stable housing in the future.**

**Objective A:** Participants are linked with and benefit from supportive services that are already established within the community.

- **Strategy:** Because all participants will be referred through the local CoC, the referring/partner agency will be responsible for insuring support services are available. Examples of such agencies or programs that could provide the abovementioned initial services include the Projects for Assistance in Transition from Homelessness program (PATH), Program of Assertive Community Treatment (PACT), or any similar agency or program.

**Expected Result:** *Participants receive and appropriate referral for self-sufficiency support services.*

- **Strategy:** All program participants receive self-sufficiency support services deemed necessary by an appropriate referral. Examples of agencies that could provide case management services include the local Center for Independent Living (CIL), the area Department of Rehabilitative Services branch (DRS), the local Community Services Board (CSB), the area Housing Opportunities for Persons With AIDS program (HOPWA), or any other agency or program that can provide appropriate case management services.

**Expected Results:** *Participants receive support in developing self-sufficiency.*

- **Strategy:** With the help of the community case manager, the participant develops and complies with a self-sufficiency plan.

**Expected result:** *Participant is accountable for his or her progress towards self-sufficiency.*



# Virginia HOME Tenant Based Rental Assistance Program

## FUNDING AND DISTRIBUTION METHODOLOGY

### ANTICIPATED USE OF FUNDING IN FEDERAL FISCAL YEAR 2004

In federal fiscal year 2004, Virginia's HOME TBRA funds will be allocated into two principal categories of usage: Administration and Assistance

#### **Administration**

Up to 10% of the Virginia HOME TBRA allocation will be used for program administration purposes. Program administration will be shared with local administrators based on 5% of their total award for assistance. The remaining amount will be used for state program administration purposes.

#### **Assistance**

Up to 90% of the Virginia HOME TBRA allocation will be used for direct rental assistance to program participants.

The Commonwealth of Virginia's allocation of HOME TBRA funds in federal fiscal year 2004 will be distributed as follows:

State Administration	\$25,000.00
Local Administrator Administration	\$25,000.00
<u>Assistance</u>	<u>\$450,000.00</u>
<b>TOTAL HOME FUNDS</b>	<b>\$500,000.00</b>

In addition to HOME TBRA funds, \$50,000.00 of fund from Virginia's Commonwealth Fund are available to provide up to \$1,500.00 of renovation allowance per project and complete the HOME TBRA mandated 25% state fund match.

### DISTRIBUTION METHODOLOGY

Up to three localities will be targeted to participate as local administrators in Virginia's HOME TBRA program. To be eligible, a locality must have a Community Services Board and/or a Local Housing Authority. A team composed of DHCD staff members from the following units will determine up to three localities for possible participation: Housing Finance Unit, Shelter and Support Services Unit, and the Office of Community Capacity Building. The team will meet by September 1, 2004.

Funds not used during the grant year will be carried over into the next year's funding or reallocated to other DHCD programs.

## **Virginia HOME Tenant Based Rental Assistance Program**

### **FUNDING AND DISTRIBUTION METHODOLOGY (continued)**

#### **MATCH REQUIREMENTS**

Virginia will satisfy the requirement that it matches all HOME funds with non-federal funds at a 25% level in the following manner:

- A portion of the match is available through the Commonwealth Fund (up to 25% or \$50,000 in FY 2004) for the renovation of rental units to meet Housing Choice Voucher (Section 8) housing quality standards. Up to \$1,500.00 per unit is available.
- The balance of the annual match liability is derived from state general revenue funds that are contributed to housing projects assisted with HOME funds and those that meet the HOME affordability requirements or through state's annual match liability can be derived from the face value of State mortgage revenue bond loans, both multi-family and single family loans.

#### **PROGRAM INCOME**

Program income is gross income directly generated by a grant-supported activity, or earned only as a result of the grant agreement during the grant period. The HOME TBRA program is not expected to generate any program income.

# Virginia HOME Tenant Based Rental Assistance Program

## VIRGNINA HOME TBRA GENERAL POLICIES

### PROGRAM TARGETING

The Virginia HOME TBRA program targets the chronically homeless. All program participants must meet the following criteria, as defined by HUD, to be deemed **chronically homeless**.

- Unaccompanied homeless individual
- Possess a disabling condition (*physical or mental*)
- Continuously homeless for a year or more, or had at least four (4) episodes of homelessness in the past three (3) years
- Have income below 60 percent of the area median income.

### ELIGIBLE PROPERTY TYPES

HOME TBRA rental units may be any rental units determined by the local administrator to meet Housing Choice Voucher (Section 8) housing quality standards and suitable for an individual participant.

### REGIONAL PROJECTS

The pilot project for the HOME TBRA program requires a regional system of outreach, intake and assessment, service referral and case management, rental assistance administration, and housing quality and supply management. Applicants must be willing to provide all of these services. Applications to provide only a limited number of these services are not eligible for consideration.

### DHCD TECHNICAL ASSISTANCE

DHCD provides technical assistance through telephone consultations with local administrators, monitoring/site visits, e-mail messages, and information posted on the agency's website.

### STATE RESPONSIBILITIES FOR CITIZEN PARTICIPATION

The HOME TBRA program is part of DHCD's Consolidated Plan and Annual Action Plan process. The citizen participation requirements are as stated in the DHCD Citizen Participation Plan, which can be found in its 2003 Consolidated Plan covering July 1, 2003 through June 30, 2005.

### ACTION PLAN

An Annual Action Plan is prepared for each year covered by the Consolidated Plan. The Action Plan for the federal fiscal year 2004 will be submitted to the U.S. Department of Housing and Urban Development (HUD) on May 1, 2004. The Action Plan contains information on federal and other resources expected to be available to address the priority needs and objectives of the Consolidated Plan and a description of state's method of distribution of funds received from HUD, in addition to other items. The process for preparing the 2004 Action Plan included four forums held between October 1 and December 15, 2003 that provided input as to the State's method of distribution for its various housing and community development programs.

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Additionally the Virginia HOME TBRA program is part of the Commonwealth's Comprehensive Action Plan on ending Chronic Homelessness, which was presented for comment to the Greater Virginia Peninsula Continuum of Care Council, the Northern VA Coalition for the Homeless, the Virginia Mental Health Planning Council, and the Virginia Interagency Action Council on the Homeless during February 2004.

# **Virginia HOME Tenant Based Rental Assistance Program**

## **VIRGINIA HOME TBRA APPLICATION PROCESS**

### **How to Apply**

A notice stating that the application is available will be mailed to potential local administrators. The application will be posted on the agency's website: [www.dhcd.virginia.gov](http://www.dhcd.virginia.gov).

### **Application Due Date**

The application will be due no later than 5:00 p.m., September 1, 2004.

### **Notification of Award**

After the review of applications, local administrators selected to participate in the pilot program will be notified by October 1, 2004.

### **Eligible Applicants**

Eligible applicants for the pilot program are local housing authorities in Virginia selected by a DHCD team composed of staff members from the following units: Housing Finance, Shelter and Support Services Unit, and Office of Community Capacity Building. Up to three pilot programs will be selected to participate. Local administrators must serve a jurisdiction that has a Community Services Board and/or a Local Housing Authority.

### **Technical Assistance**

DHCD will provide technical assistance upon request. DHCD contact is:

Nikki Nicholau, Deputy Director, Division of Housing  
Virginia Department of Housing and Community Development  
The Jackson Center  
501 North 2<sup>nd</sup> Street  
Richmond, Virginia 23219  
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